

EXHIBIT 2

Employee Handbook



This handbook is a guideline and general statement of Western Governors University's, present policies and benefits. It is not intended to be all-inclusive. It is not an employment contract or agreement. All requirements, rules, policies, and procedures included herein are subject to change and revision as conditions and circumstances change. This handbook attempts to cover the information you need to know to get started on your new job. It is also a point of reference during your employment. Feel free to ask your supervisor or Human Resources Representative if you have any questions or need clarification.

06-01-12



1010 Introduction to the Handbook

Forward

You were hired because we believe your experience, ability, fitness, and attitude will contribute to Western Governors University's ("WGU" or the "University") success. You should be able to enjoy working with the people here and they with you. You can expect fair and respectful treatment from others in our University. You will get the most out of your job by expecting to improve yourself and by doing good work. Do your full part to assure teamwork and efficiency. When each person works at doing better, the group, including the entire University, makes more progress. One of our goals is a work environment that fosters teamwork and mutual respect. Your positive attitude, even when things may not be perfect, will benefit everyone.

There are no certain roads to success at WGU. No one's job here is guaranteed. ***Nothing contained in this handbook should be considered either an express or implied contract of employment. Employment is voluntary for both you and the university. You or the University may terminate your employment at any time for any reason not prohibited by law. No one, other than the President of WGU, and then only in writing, has any authority to enter into an agreement for employment for a specific period of time or make arrangements contrary to this statement.***

Purpose of the Handbook

This is Western Governors University Employee Handbook. It is the University's general guide of Human Resource policies. It is not comprehensive, does not address all employment issues or policy exceptions, and is not intended to provide specific details in all areas. Many issues (such as benefits) are addressed in detail in other official controlled documents. Consequently, employees are encouraged to contact Human Resources or their supervisor with their questions.

These policies are designed for general University operations. However, each individual department has separate operational requirements that may vary from the policies outlined in this employee handbook. You are expected to know and comply with your department's individual guidelines in addition to the outlines in this Handbook.

Policies Are Not Contracts or Guarantees of Rights

These policies are not contractual employment commitments, and except for the employment-at-will policy, may be changed or revoked at any time. No policy is intended as a guarantee of terms or conditions of employment or of benefits or rights. This Handbook does not alter the employment-at-will relationship in any way. WGU employment is not for any specific time and may be terminated at will, without notice, at any time with or without cause. Employees may also resign at any time. These guidelines replace any previous oral or written policies and practices regarding matters covered in this Handbook. The only exceptions to these policies are those written and signed by the President.

All requirements, rules, policies, and procedures included herein are subject to change and revision as conditions and circumstances change. The University intends to comply with all local, state, and federal laws. If you have a concern not addressed in the handbook, please contact Human Resources. This document supersedes any other verbal or written policies.

This handbook attempts to cover the information you need to know to get started on your new job. It is also a point of reference during your employment. Feel free to ask your supervisor or Human Resources if you have any questions or need clarification.

All such application information shall be maintained as confidential and provided to the University representatives only on a need-to-know basis.

The University shall provide a copy of this policy, upon request, to any applicant for employment.

2050 Employment-at-Will

Policy Reference:

1-1.3 Employment at Will

Although the WGU hopes its employment relationship will be a long and rewarding one, WGU policy provides that all employees are considered Employees-at-Will. Employment may be ended by the University without notice, at any time and for any reason, with or without cause. Employees, likewise, may terminate employment at any time, for any reason.

2060 Employee Relations

Policy Reference:

1-1.2 Fair Treatment

Positive interaction between fellow employees and those whom WGU serves directly affects the success of the University. The performance of one person can impact the entire service offered. At WGU, employees are expected to act professionally and not detract from the morale or productivity of their fellow employees.

Open communication is also important for the success of WGU and its employees. Although, WGU believes that the work conditions, wages, and benefits it offers to its employees are competitive with those offered by other employers in this industry; if employees have concerns about work conditions or compensation, they are strongly encouraged to voice these concerns openly and directly to their respective supervisor(s) and Human Resources. An employee's primary responsibility is to know his/her specific duties and to perform them promptly, correctly and professionally. If you are ever in doubt - ask. Employees are encouraged to work with Leadership and fellow employees to maintain a proactive team attitude and to pursue opportunities for personal development that are offered.

A note to new employees:

You help create the helpful, pleasant, and safe working conditions at WGU. Your dignity and that of fellow employees is of the highest importance. WGU needs your help in making each working day enjoyable and rewarding. The success of WGU depends upon the quality of the relationships between WGU, its employees, and its students. WGU students' impression and their interest and willingness to use WGU services are greatly formed by the people who serve them. Regardless of your position, you are an ambassador. The more goodwill you promote, the more WGU students will respect and appreciate you and WGU.

2070 Equal Employment Opportunity (EEO)

Policy Reference:

1-1.4 Equal Opportunity (EEO)

EEO Commitment

Equal Employment Opportunity has been, and will continue to be, a basic principle at WGU. Employment at WGU is based upon merit, ability, and qualifications. No qualified applicant or employee is to be discriminated against because of race, color, sexual orientation or gender identity¹, age (40 and over), sex, pregnancy,

¹ Sexual orientation is defined as "a person's actual or perceived orientation as heterosexual, homosexual, or bisexual." Gender identity is defined as "a person's actual or perceived gender identity, appearance, mannerisms, or other characteristics of an individual with or without regard to the person's sex at birth."

3000 Employee Status and Personnel Records

3010 Employee Classification

Policy Reference:

1-2.10 Employment Categories – Benefit Eligibility

WGU employees are classified into several categories: Temporary, Part-Time, or Full-Time, and Exempt or Non-Exempt. Classifications are important in determining eligibility for various benefits, overtime, and to clarify employment status. Since employees are employed at-will for unspecified durations, established classifications do not guarantee employment.

Each employee's position is designated as either Exempt or Non-Exempt:

Non-Exempt

Non-Exempt employees receive overtime pay for work in excess of 40 hours in a workweek or otherwise as required by law. Their work and pay are determined based on their actual hours worked.

Exempt

Exempt employees hold positions which meet specific tests established by the Fair Labor Standards Act (FLSA) or other applicable laws. They are paid on a salary basis and provide at least the minimum salary required by law for exempt status. They are not eligible for overtime pay.

In addition to each of the above categories, each employee belongs to one of the following employment categories.

Full-Time

Full-Time employees are hired to work 33 or more hours per workweek on a regular basis. Generally, they are eligible for full benefits subject to the terms and conditions of each benefit program.

Part-Time

Part-Time employees are hired to work less than 33 hours per workweek indefinitely on a regular or irregular basis. Part-Time employees are not eligible for benefits (except the 403b plan) as detailed in each benefit and leave program.

Temporary

Temporary employees are hired for defined projects and/or limited timeframes and are not eligible for University benefits. Employment beyond any initially stated period does not imply a change in employment status. As with all other employees, Temporary employees remain Employees-at-Will throughout their employment.

3020 Personnel Files and Records

Policy Reference:

1-8.2 Employee Records / Personnel Files

Records and information regarding each applicant, employee, and former employee are kept by Human Resources to ensure compliance with government requirements and to support benefit programs and employment actions. It is important that records are accurate and current. Therefore, employees are asked to notify Human Resources of any changes in:

- Name
- Marital status
- Address and/or telephone number
- Number of dependents (W-4 dependent information)
- Emergency contact person
- Immigration status
- Military status
- Insurance beneficiaries

4000 Employment Practices

4010 Complaint Procedure

Policy Reference:
1-1.2 Fair Treatment

Informal Problem Solving

WGU seeks to promote an atmosphere where employees are comfortable in voicing their concerns and raising employment related issues. Therefore, employees are encouraged to speak informally and discuss any problems directly with their supervisor so that appropriate actions may be taken. The University is committed to ensuring a responsive and fair problem solving process at the lowest possible organizational level and encourages this same commitment from all employees. If such informal discussions fail to resolve an employee's concerns, he/she is encouraged to utilize WGU's more formal complaint procedures.

Formal Problem Solving

Documentation in Writing

If an employee feels that a formal complaint is appropriate he/she should provide a written, detailed explanation to his/her supervisor of the problem and related events along with a summary of how the employee would like to see the problem resolved.

Complaints must be submitted promptly, generally within five business days.

When a complaint to an employee's supervisor may be inappropriate under the circumstances, he/she may submit a complaint directly to Human Resources.

Appeal

If an employee is dissatisfied with a supervisor's decision, he/she may appeal within five days in writing to Human Resources.

Human Resources Assistance

Employees are also encouraged to utilize Human Resources for consultation at any stage in the problem-solving process. WGU will attempt to resolve the problem as quickly and as confidentially as possible. WGU investigates all complaints of discrimination and harassment prohibited by WGU and applicable law.

Procedures Are Guidelines

This policy is only a guideline. The University reserves the right to take action, in response to complaints, as Management deems appropriate.

Comments and Suggestions

WGU recognizes the value of discussing various issues, concerns, or suggestions for improvement. WGU offers multiple avenues for employees to communicate concerns. Staff meetings also provide opportunities for open discussion and comments. It is the policy of WGU that ALL employees have the opportunity to raise issues or concerns, as well as offer input and suggestions. The University will not tolerate retaliation by supervisors, or co-workers.

4020 Corrective Action

Policy Reference:
1-1.6 Managing Employee Performance Problems

Employee Responsibilities

WGU expects all employees to comply with the University's standards of behavior and performance. The University will take corrective action to remediate any noncompliance with these standards.

Possible Corrective Action

Examples of corrective action include oral warnings, written reprimands, performance improvement plan, suspension, probation, demotion, and termination. However, nothing in this policy alters the at-will relationship between the University and its employees and all corrective action policies are guidelines. In cases of serious misconduct or performance problems, an employee may be suspended or terminated immediately.

Management Discretion

The University is not obligated to utilize any particular corrective action. WGU deals with each situation on a case-by-case basis in the sole discretion of Management.

4030 Fraternization (Dating co-Workers)

Policy Reference:

1-1.19 Employee Dating Policy

The University reserves the right to take action when the relationships or the associations of employees adversely affect its legitimate business interests. Employees should become familiar with the University's policies regarding restrictions on relationships, entertainment, travel, and conflicts of interest. For example, employees may not accept gifts from WGU vendors, in violation of WGU conflict of interest policy. Similarly, employees who are traveling on University business are expected to conduct themselves with decorum after hours. Likewise, inappropriate conduct at a University-sponsored event can result in discipline.

Under the fraternization policy, the University strives to avoid the appearance of favoritism, sexual relationships, and potential problems in the area of control and audit. For example, employees who live with each other may not supervise one another. Supervisors and employees should not have a relationship or arrangement that could compromise their work relationship. Before engaging in a possible questionable relationship, WGU recommends that employees consult with Human Resources first.

In general, there are not to be relationships between employees and their supervisors, between employees with purchasing authority and vendors, between employees with student responsibilities and students, or between employees with audit functions and the employees, they audit. In other words, relationships that call into question your ability to carry out your job functions in the best interest of the University are not appropriate.

Not every relationship that can create the appearance of favoritism, or undermine audit functions, can be listed here. Whenever an employee enters into a relationship with another employee, vendor or student, he/she should ask whether there may be an appearance of favoritism if the association makes others uncomfortable or whether an audit function may be compromised. When in doubt about the application of this policy, contact Human Resources.

Please refer to the Conflict of Interest policy references to nepotism, and the confidentiality policy for other examples of inappropriate fraternization. Violation of the intent of this policy will result in discipline and/or if the behavior continues possible termination.

This fraternization policy does not restrict off-duty conduct (unless such conduct directly impacts WGU's interests or operations), relate to religious practices, political activity, or association with protected groups.

Employees on a leave of absence are subject to the same rules as other employees.

If two employees become subject to this policy's restrictions after hire, they must notify Human Resources. One of them must seek a transfer if any of the above restrictions pertain. If a transfer is not possible, the employees will have 30 working days to decide, which of them will terminate employment. Management retains complete discretion in approving all employee transfers and reassignments.

4040 Hiring of Relatives (Nepotism)

Policy Reference:

1-3.3 Nepotism

If any office is closed due to severe weather, natural disaster, power outage, or other emergencies, management will use its discretion regarding allowing employees to work from home based on the business needs of the University.

5080 Employee Conduct and Work Rules

Policy Reference:

1-1.15 Standards of Employee Conduct

Rules and standards regarding employee behavior are necessary for the efficient operation of the University and for the benefit and safety of all employees. WGU expects all employees to meet established performance and conduct requirements. While it would be impossible to compile complete lists of expected behavior and/or unacceptable conduct subject to corrective action, the following guidelines provide a general outline of expectations.

Performance

Employees are expected to perform their jobs efficiently, effectively, and in accordance with established procedures. Examples of unacceptable performance include:

- Failure to meet quality or other performance standards and deadlines;
- Refusal to work overtime or failing to accept work assignments;
- Insubordination or failing to follow supervisor directions;
- Unprofessional conduct or rudeness to students or co-workers; and
- Violation of safety rules.

Attendance

Employees are expected to arrive at work as scheduled and to return from breaks promptly. Examples of attendance misconduct include:

- Unexcused or excessive tardiness or absences; and
- Leaving work early or leaving University premises without permission.

Honesty and Integrity

Employees are expected to demonstrate honesty and professionalism in the conduct of all business activities, including observance of the spirit as well as the letter of the law. Additionally, employees are responsible for reporting any illegal or unethical actions of employees and non-employees to Management. Examples of unacceptable actions include:

- Willful or negligent damage, theft, or misuse of property;
- Falsification of University records or documents (including time records, absence reports, expense accounts, and other business records);
- Failure to report injury or unsafe conditions or to cooperate in University investigations;
- Disclosing confidential information without authorization;
- Use of University time or equipment for unauthorized or personal purposes;
- Unauthorized transactions.

Behavior

Employees are expected to conduct themselves professionally and to meet established standards of behavior. Examples of unacceptable employee behavior include:

- Violation of dress and grooming standards or any University policy or procedure;
- Working under the influence of illegal drugs and/or alcohol;
- Possession, use, or sale of alcohol or illegal drugs at work;
- Using offensive, foul, or abusive language;
- Possession of guns, explosives, or other weapons on University property unless otherwise required by applicable law;

- Fighting with or threatening employees or non-employees;
- Harassment or discrimination of any kind (including sexual harassment);
- Any intentional or negligent act which endangers the safety, health, or well-being of another person;
- Misconduct or any act which disrupts work or discredits the organization; and/or
- Violation of University policies.

The expected conduct and work rules outlined above are merely examples of the types of behavior that may subject an employee to corrective action. WGU, as an at-will employer, maintains complete discretion over corrective action and termination policies and practices.

5090 Office Organization and Housekeeping

Policy Reference:

WGU is proud of its office and take pride in keeping it clean and neat. While it is not your responsibility to clean the entire facility, WGU certainly does expect your participation in caring for the areas in which you work. Drawers, cabinets, and storage areas should be neatly arranged. This helps in controlling quantities of supplies and expedites the re-ordering process.

Conference rooms or customer service areas are the most essential. Please make sure these areas remain clean and free of clutter at all times.

WGU asks that employees leave the lunch and conference rooms as they found them, wipe tables off, clean whiteboards, and place food wrappers and papers in the trash before leaving.

5100 Office Equipment, Postal Service, and Copy Machines

Policy Reference:

University office equipment, copy machines, postal machine, and overnight shipping services are intended for business purposes. Limited personal use of these machines must be on a minimal basis, on personal time and may need to be approved by Management. Employees may request to utilize University office equipment, postal machine, and copy machines for large personal projects for a small fee by requesting authorization from their supervisor or Human Resources

5110 Personal Cellular Telephone Usage

Policy Reference:

1-1.17 Cell Phone Use

The use of a personal cellular telephone during work hours is a privilege not a right. If management determines the use of a personal cellular telephone is a distraction to an employee's work performance or that of their co-workers, WGU will ask the employee to terminate use of the cellular telephone during business hours. To ensure the quality of the working environment for all employees, WGU provides the following guidelines:

In order to avoid distraction in meetings, cellular telephones either should be on the vibrate option, or turned off completely.

Employees in customer service positions, such as Enrollment Counselors, Financial Aid, Progress, and Mentors, which require them to spend the majority of their workday answering or placing calls, should have cell phones turned off. Calls should be forwarded to voicemail; messages may be checked on breaks or at lunch only.